

## TO BE RESCINDED

4901:1-9-07

**Rules, regulations and practices for the construction of electric line extensions in rural territory.**

Every person, firm, and corporation operating as an electric company furnishing electrical energy for public and private use in the State of Ohio shall prepare and file with this Commission, and thereafter observe and follow, a schedule providing for the construction of electric line extensions in rural territory in conformity to the following plan:

## (A) Availability of Service.

This plan is applicable for light, power and domestic service to rural customers. Electric energy shall be made available to such customers adjacent to distribution lines carrying less than 15,000 volts upon guarantee of revenue as herein provided. Electric companies may, in particular cases, be relieved by the Commission from the duty of tapping lines.

## (B) Definitions.

- (1) "Electric company" means any public service corporation in the State of Ohio authorized to and engaged in the distribution of electricity for light, heat or power purposes to consumers in the State of Ohio.
- (2) "Customer" means any applicant for electric service from a line extension, exclusive of industrial or manufacturing plants, who has contracted with the electric company to take and pay for the same for a definite period of time, under schedules filed by such electric company and approved by the Commission.
- (3) "Line extension" means the provision of such facilities (poles, fixtures, wires and appurtenances) as are necessary for delivering electrical energy for general use along public highways or the electric company's rights-of-way to one or more customers so located that they cannot be adequately supplied from a secondary system or the electric company's existing distribution system.
- (4) "Point of origin" means the point where a line extension made under this plan connects with and receives energy from any existing transmission or distribution line. Said point shall be the nearest practical point to the customers to be served by said extension.
- (5) "Construction cost" means the cost of constructing any line extension, and shall

include all costs of labor and materials directly chargeable to and necessary to construct the line extensions, and all transformers, meters, services, rights-of-way, tree trimming rights, highway permits actually paid for by said company and all other elements of actual cost properly chargeable to or against the line extension. The electric company may, for the purpose of standardization, establish standard construction costs which shall not exceed, in any event, the average cost of constructing such lines in the territory involved, in which case "construction cost" as used in this rule means the standard cost thus established. Items of cost shall be classified according to the "Uniform Classification of Accounts for Electric Companies" prescribed by the Commission.

- (6) "Service" means wires and other appurtenances of adequate capacity from the nearest or most suitable pole of the line extension of the electric company, extending not to exceed one service span or approximately 100 feet in length toward the pole, building, or terminal connection provided by the customer.
- (7) "Commission" means the Public Utilities Commission for the State of Ohio.

(C) Line Extensions.

- (1) Any electric company in the State of Ohio shall make line extensions within its territory, provided applicants on such extensions shall, after establishment of credit, contract for payment for energy supplied them at the electric company's applicable tariff filed for supply of energy, and thus become customers as defined in this rule.
- (2) Such extensions shall be installed and put into operation within six months after date of said contracts and establishment of credit and when satisfactory rights-of-way have been established, provided the company will not be required to start construction until ninety percent of the applicants have entered into contracts for wiring of their premises and that not less than fifty percent of such applicants have completed the wiring of their premises and are ready for service.

(D) Rates.

The rates applicable to such customers shall not be greater than provided by tariffs on file with the Commission.

(E) Construction Plan.

- (1) Electric companies shall construct in accordance with their "Standard of

Construction" approved by the Commission and thereafter operate and maintain at their own cost line extensions required to serve any customers, who will guarantee revenues therefrom in sufficient amount to comply with the tariffs of the company as filed and approved by the Commission and with the conditions as set forth under "Guarantee of Revenue."

(2) In determining the revenues originally so to be guaranteed and any subsequent changes therein:

(a) The total construction cost of the line extension shall be credited with all money, labor, materials, or other items of cost contributed by said customers, at the cost to the electric company of all items entering into said contributions. Total revenue to be guaranteed shall be based upon cost after credit.

(b) Appropriate adjustments shall be made, at least annually, in the amount of revenue guaranteed by each customer on account of change in the number and/or classification of customers supplied from the line extension.

(F) Guarantee of Revenue.

Customers served by said line extension shall guarantee a monthly payment to the electric company for service supplied under applicable rates not to exceed two percent of the total "construction cost" of the line extension. In no case shall the minimum monthly payment guaranteed to the electric company be less than the minimum called for by the tariff applicable to the customer's service.

(G) Establishment of Credit.

The electric company, in order to safeguard its investments, may require any applicant customer to establish a satisfactory credit standing as a guarantee of the payment of his bills during the term of the contract, or, in lieu thereof, to make a suitable cash deposit.

(H) Apportionment and Adjustment of Guarantees.

(1) Monthly guarantees shall be apportioned among those to be served in the ratio which the minimum monthly payment specified in the applicable tariffs bears to the total of all such minimums in the contract for service from the given line extension. For the purpose of such calculation the minimum monthly payment for residential lighting shall in all cases be considered to be not less than one dollar. This paragraph of this rule does not preclude any customer

from assuming more than his pro-rata share of such guarantee subject to acceptance thereof by the electric company.

- (2) Customers added to an extension already established shall guarantee revenue to the electric company to the same extent and in the same manner as is then currently guaranteed by other customers of the same class served from the line extension. The minimum monthly guarantee shall be reapportioned at least annually in the manner described above, among all customers supplied from the line extension.

(I) Extension to Additional Customers.

Additional customers shall be connected to line extensions already built or to a further extension thereof upon the same terms and conditions as would apply were the extension then being made for all customers including the new customers, provided the inclusion of such new customers will not increase the cost to the extension customers. Otherwise any line extension constructed to serve additional customers shall be considered and treated as a new and separate line extension.

(J) Customers Wiring and Equipment.

- (1) All wiring and equipment on the premises of the customers, for utilization of service, shall be installed and maintained at the expense of the customer in a manner to conform with the rules and requirements of any recognized inspection service in effect in the community, and to a standard satisfactory to the electric company.
- (2) The customer shall also furnish, install, and maintain any poles, wires and other construction necessary to bring the terminus of his wiring to a location where it can be connected to the electric company's line extension by a service span to be supplied by the electric company. The electric company may at any time discontinue service being supplied to such equipment if it is deemed such equipment is not in accordance with accepted practices. Such disconnection shall not be considered as a cancellation of the agreement, and shall not relieve the customer of payment of any minimum.

(K) Title to Line Extensions Financed in Part by Customers.

The electric company shall not be obligated to deliver energy to any line extension financed in part by customers until every customer participating in said financing has agreed, in writing, that the ownership of such line extension shall be vested in the electric company and thereafter such company shall be obligated to maintain such lines.

(L) Limitation of Charges for Service.

No company shall charge a consumer a greater rate than is just and equitable nor in excess of the schedule for such service filed with and approved by the Commission.

(M) Term of Contract.

The initial contract shall be for a period of four years.

(N) Optional Plan.

This rule does not prevent the electric company from filing with the Commission an optional plan for the extension of lines for the supplying of light, heat, and power service to rural customers; customers to select plan under which service is to be supplied.

(O) Demands for Service Apart from This Rule.

This rule does not prevent the Commission from considering upon its own merits and acting upon any demand for service, otherwise lawful, nor to preclude the Commission from altering, modifying or amending this rule from time to time as the Commission may deem necessary or advisable, nor to preclude the Commission from relieving any electric company from the obligation herein imposed should the special circumstances of the case warrant such relief.

(P) Supplemental Rules Relative to Construction of Electric Extensions.

- (1) Upon the expiration of the initial contract period of four years and without the negotiation of a new contract for service with the affected consumer, the minimum monthly charge shall not exceed one percent of the total construction cost of the line extension.
- (2) The electric light company shall not be required to apply a minimum monthly charge in an amount less than the minimum specified by the tariff applicable to the customer's service nor, for residential lighting, less than the sum of \$1.00.
- (3) In the application of this provision of this rule, the electric light companies shall apply the provisions of the same to all customers attached to each line extension and not to the individual consumers.

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CERTIFIED ELECTRONICALLY

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Certification

06/18/2009

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Date

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